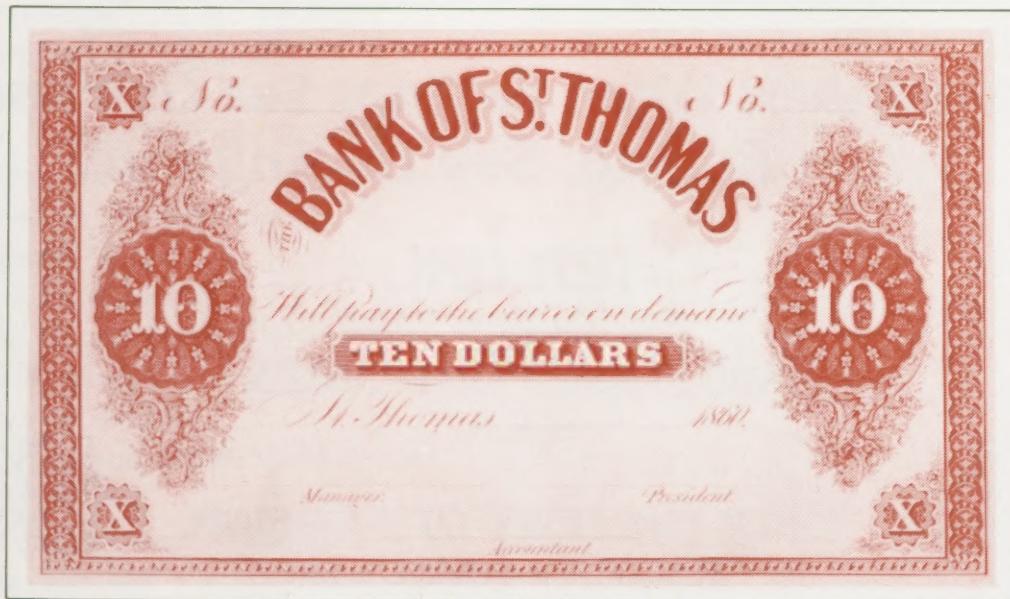


# *International Bank Note Society Journal*



*Volume 22, No. 1, 1983*



# I.B.N.S. JOURNAL, Volume 22, No. 1, 1983

## EDITOR

Ted Uhl

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## Editor's Galley

### About The Cover Photo

The cover note is a 10 Dollar uniface Proof of the Bank of St. Thomas, Danish West Indies. Listed as PICK 14A, the note was recently purchased by me and is the second of this type that I have owned. I have seen no others. Dated 1860, the note is printed on thin proof paper and the color is rust orange on white.

Member P.J. Rader writes on Volume 21-4: "I think the new cover is extremely attractive and has enhanced the publication. Congrats . . . I also enjoyed both: David Atterton, Han-Satsu and Gene Hessler, U.S. Paper Money . . . the articles were tops and my thanks to them for sharing their knowledge."

New Member, Kent Phillips asks about the current technology of "note restoration", cleaning, etc. He states that he has restored a number of notes in terrible condition. He would like to learn more about this subject and invites inquiries. Kent can be reached at 4231 Rhodes Ave., New Boston, Ohio 45662.

Jim Fugate's alphabetical cross-index of the Smith and Matravers "Chinese Banknotes" publication appearing in the current edition of our newsletter (#83-1) is a welcome aid. My copy has already been integrated into that publication. Thanks to Jim and newsletter editor, Clyde Reedy, we no longer need to skim through the entire publication to catalog a single item.

A new publication "A History of Banking in Arizona," by Larry Schweikart, is now available to the public. The book is 6x9 inches and has 250 pages.

Larry Schweikart traces the history of banking in Arizona from those early days up to the present era of computerized tellers. Banking is shown to have played an integral part in financing commercial endeavors on the frontier and the author's access to many

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## CANADA AND UNITED STATES

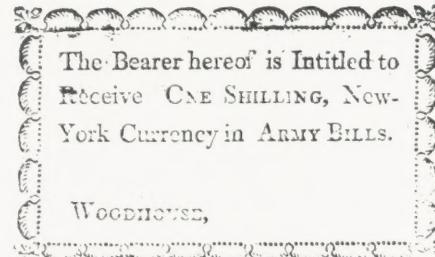
# A Mysterious Paper Money Interlock

by Eric P. Newman

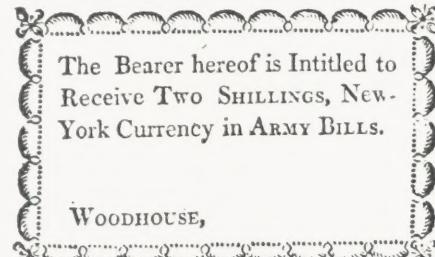
FOR a writer to attribute a piece of paper money to the wrong country and to the wrong period is both unusual and ordinarily embarrassing. But for an author to have the opportunity to correct that error by serendipity sixteen years later before anyone else had called the error to his attention is extraordinary. That is exactly what happened to me with respect to the undated and unsigned issue of paper money from "Woodhouse" payable to bearer in "New York Currency in Army Bills".

In the 1966 edition of *The Early Paper Money of America* this issue was listed for the first time. It was included in the New York section and chronologically placed in the 1776 period with the statement "Nothing has been learned about this issue." The 1976 edition repeated that comment. In 1980 I was traveling in the Peoples' Republic of China in a group which included someone who, during her childhood, had moved to Detroit from nearby Canada. I casually asked her if she had ever heard of Woodhouse and she said that she had but wasn't sure where it was. A very flimsy clue it was, but it could not be neglected.

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### Undated 1/- note from Woodhouse.



### Undated 2/- note from Woodhouse.

The use of the term "New York Currency" on the issue had been somewhat deceptive. New York Currency was the name of the money of account of the Colony of New York under British rule. It consisted of New York pounds, shillings and pence. This currency, though the denominational names were the same, had no economic correlation with English sterling except as a foreign exchange.

The paper money issued by the Colony of New York generally had denominations of New York pounds and shillings from May 31, 1709 to September 2, 1775 when a change to Spanish milled dollar denominations took place at the start of the American Revolution. Then on lower denominations of the New York State paper money issues of March 8, 1776 and August 16, 1776 both New York shillings and pence, as well as fractions of Spanish milled dollars, were used as denominations. For over 25 years the rate of exchange of New York Currency had been 8 shillings to the Spanish milled dollar. That ratio remained unchanged when the State of New York introduced its specie paper money issues of 1786 and 1788 using pound and shilling denominations.

When the U.S. Constitution prohibited the issuance of paper money by individual states in 1789 there was a profusion of city and private small change scrip issued in the

State of New York in denominations of New York shillings and pence, while the New York incorporated banks issuing higher value paper money used the Federal standard of dollars for their denominations. It was very convenient in New York to continue the use of the New York Shilling as a money of account because the Spanish American one real coins in circulation were equal to one New York Shilling and the U.S. quarter and Spanish American two reales coin were equal to two New York Shillings.

The quantities of English halfpence, Connecticut, Vermont, Nova Constellatio, New York and other coppers joined the increasing numbers of U.S. cents and half cents for the very small transactions. In rural New York particularly, the use of New York shillings and pence as a money of account continued into the nineteenth century as evidenced by some scrip notes issued there in such denominations during the War of 1812.

The year after the Provinces of Lower Canada and Upper Canada were created in 1791, John Graves Simcoe was appointed Lt. Governor of the Province of Upper Canada. He partitioned Upper Canada into nineteen counties, generally naming them after the eastern counties of England. Norfolk was selected as the name of one southern county on the northern shore of Lake Erie. In naming the townships within Norfolk County, Upper Canada, family and city names of Norfolk County, England, were selected, one being Woodhouse. Woodhouse, as well as Wodehouse, are both commonly found in and around the City of Norwich, Norfolk County, England. No other community received the name Woodhouse anywhere else in Canada or the State of New York, the only possible exceptions being the name of Woodhouse Mountain in Renfrew County, Province of Ontario, Canada, at a later date.

The census of Woodhouse Township for 1812 lists the names of about 500 persons showing that the community was well developed at the time of the War of 1812. Woodhouse Township lost its original identity when it was absorbed into the City of Nanticoke along with neighboring areas.

In order to finance Canadian participation in the War of 1812 the government of Great Britain arranged for the issuance of

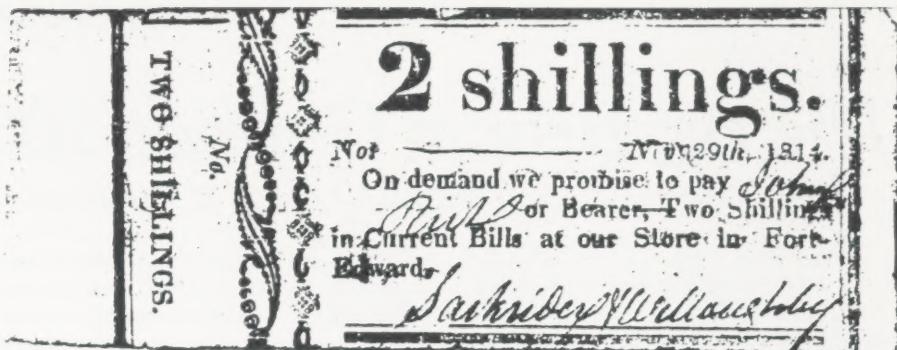
Army Bills from the Quebec Army Bill office. These Army Bills were redeemable in Bills of Exchange on London. This avoided the risk of sending specie to Canada to pay the expense and maintenance of the British armed forces. The Army Bills were issued in convenient denominations as low as one Spanish dollar (one piastre).

During the War of 1812, United States citizens living near the Canadian border ignored the prohibition against trading with the Canadians and accepted Army Bills in payment for goods. Army Bills could be exchanged by United States residents through trade channels for Bills of Exchange on London, thereby avoiding the risk of specie transfer to Europe. In that way Army Bills became acceptable in New England and New York at a time when there was a shortage of small change in the area.

Due to extensive trading with New York merchants in Colonial times the Canadians often used the New York Shilling as a money of account. This practice continued well into the nineteenth century in spite of the adoption in 1796 of Halifax currency as the official exchange for all of Canada. The Halifax currency standard was 5 shillings to the Spanish dollar. The New York shilling was by Canadian custom called the "York Shilling" and its value remained at 8 shillings to the Spanish dollar when the Army Bills were issued during the War of 1812.

The Woodhouse notes must be judged in this context. The only known Woodhouse notes consist of a single example of the 1 shilling note and a single example of a 2 shilling note. Neither is signed or dated. They are on pinkish laid paper, printed from set type and ornaments.

It would, therefore, seem that the 1 shil-



**2 shilling storekeepers' scrip of Sackrider and Willoughby showing continued use of New York Currency as money of account at Fort Edward, New York on November 29, 1814.**

ling and 2 shilling bearer notes payable in "New York Currency in Army Bills" were private notes of convenience prepared for circulation from Woodhouse, Norfolk County, Upper Canada during the War of 1812. The issue interlocks New York Currency as a United States money of account with the Canadian Army Bills which were being used in both areas. It is hoped that the findings concerning the Woodhouse notes are more than just a borderline conclusion.

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#### 1983 LONDON MEETINGS

**Thursday, April 28**

Dealers and Collectors Bourse

**Thursday, May 26**

'Bank Notes of Italy' by Frank Spinelli  
Monthly Auction

**Thursday, June 30**

'Bank of England Treasury'  
by George Webb  
Monthly Auction

**Thursday, July 28**

The speaker will be Alistair Gibb  
Monthly Auction

**Thursday, August 25**

'Banking and Finance' by George Crabb  
Monthly Auction

**Thursday, September 29**

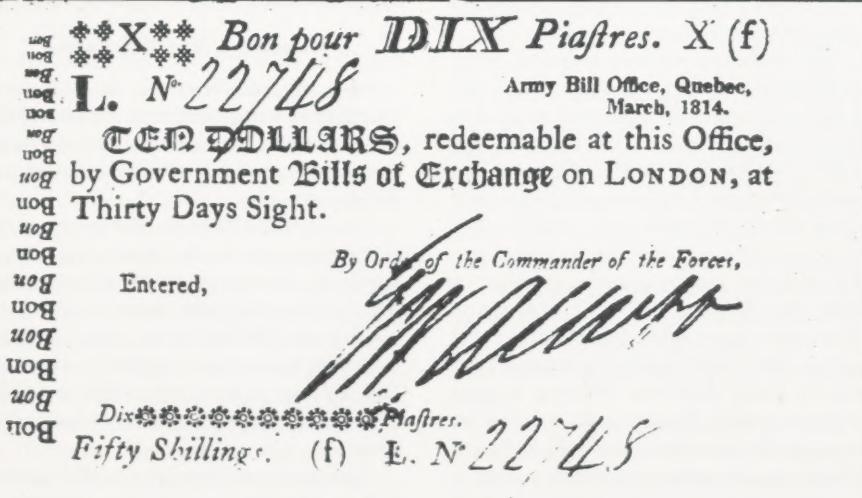
A Bank Note Quiz  
by Graham Miller and Frank Spinelli  
Monthly Auction

**Thursday, October 27**

Cheese and Wine Evening plus  
display of Commonwealth Notes  
by Brian Kemp  
Monthly Auction

**Thursday, November 24**

The speaker will be Mike O'Grady  
Monthly Auction



**\$10 Army Bill issued in March, 1814 from Quebec, Canada to finance Canadian participation in the War of 1812 between Great Britain and United States.**